

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814
(916) 445-7046



April 7, 1981

ALL COUNTY LETTER NO. 81-34

TO: All County Welfare Directors

SUBJECT: CLAIMS AND AUDITS AFFECTED BY PL 95-291

REFERENCE:

This is to inform you of the status of county claims and federal audits affected by PL 95-291 approved June 12, 1978 and to provide the necessary claiming and reporting instructions for the fiscal periods involved.

As you know, PL 95-291 was "forgiveness" legislation and essentially closed out federal funding for Title IV-A Social Services. This legislation provided for federal reimbursement of state expenditures for Title IV-A Social Services made prior to October 1, 1975, but claimed after that date. It provided 38 percent federal reimbursement for outstanding claims submitted to HHS (formerly HEW) prior to April 1, 1977 and 75 percent reimbursement for claims submitted on or after April 1, 1977, but before September 11, 1978. There will be no federal reimbursement for Title IV-A Social Services claims submitted after September 11, 1978. In addition, PL 95-291 "forgave" outstanding and future negative Title IV-A Social Services claim or audit adjustments.

The above provisions impact the counties in the area of outstanding "Twiname" claims and outstanding federal audits containing recommended disallowances of previously paid Title IV-A Social Services claims.

PL 95-291 did not affect the manner in which state funds will be paid or recovered for claims or audit adjustments for Title IV-A Social Services.

Information concerning the adjustments to be made to previous claiming and current claiming instructions is as follows.

Adjustments to Previous Claiming

The enactment of Title XX effective October 1, 1975 required that Social Services expenditures incurred after that date be reported and paid as Title XX expenditures. In keeping with normal fiscal procedures, county adjustment claims and SCO audit adjustments for Social Services covering periods prior to

October 1, 1975, were reported by SDSS and paid by HHS as Title IV-A expenditures. However, after mid-1977, HHS refused to recognize the state's claims for Title IV-A Social Services expenditures. Nevertheless, SDSS has continued to fully reimburse the counties for those claims and to offset negative Title IV-A Social Services claims. Instructions from HHS implementing the provisions of PL 95-291 specify how federal reimbursement will be made and make it necessary for the state to revise the affected county claims. SDSS will reverse those Title IV-A Social Services expenditures which SDSS reimbursed or offset, but which were not recognized by the Federal Government because of PL 95-291. Excluded from this reversal will be those claims which merely shifted funding from state to federal because of reallocations.

State share of Title IV-A Social Services claims will not be changed as a result of these adjustments.

The adjustments described above will be made by SDSS. No county action is required.

Prior Year Claim Adjustments for Title IV-A Social Services

Counties are to continue to submit adjustments for periods prior to October 1, 1975. Please refer to All-County Letter No. 76-92 dated June 30, 1976, for specific instructions. For payment purposes, SDSS will ignore the federal portion of Social Services costs shown on these adjustments. However, the remaining portion of the claim adjustment will be processed in the usual manner.

Federal Social Service Audits Affected by PL 95-291

Under the "forgiveness" provisions of PL 95-291 the federal share of Title IV-A Social Services in the following audits will not be applied.

NOTE: The Title XX Social Services portion of all audits remains in effect until further notice.

<u>Federal Audit Control</u> <u>No. and Date</u>		<u>Audit Title</u>
20021-09	10/29/71	Adult Services
SRS Review	12/13/74	A-87 Deferral
50261-09	5/16/75	Los Angeles Donated Funds

<u>Federal Audit Control No. and Date</u>	<u>Audit Title</u>
50257-09 6/ /75	San Joaquin Social Services
50251-09 1/ /75	Campus Child Care
60274-09 7/25/75	San Francisco Attendant Care
60252-09 8/31/76	San Francisco Shelter Care
70268-09 2/28/77	Los Angeles Homemaker
70271-09 9/23/77	San Francisco Child Day Care
70286-09 3/24/77	San Bernardino Social Service
70600-09 4/12/77	San Mateo Voc. Rehabilitation
60283-09 6/15/77	Children's Center Program (state)

Miscellaneous Audits Affected by PL 95-291

HHS has agreed that the "forgiveness" provision of PL 95-291 is applicable to that portion of any audit that falls out into Title IV-A Social Services through the cost allocation process. Therefore, the federal share of Title IV-A Social Services in the following audits will not be applied:

NOTE: The Title XX Social Services portion of all audits remain in effect until further notice.

<u>Audit Control No. and Date</u>	<u>Audit Subject</u>
30005-09 10/31/72	Adoption Services
30203-09 6/13/72 (draft)	EDP and Warrant Writing
40003-09 7/31/73	State Administrative Costs
20144-09 9/29/71	Food Stamp Issuance
50264-09 5/ /75	Food Stamp Issuance
50250-09 3/ /75	Food Stamp Issuance
50262-09 3/ /75	Food Stamp Issuance

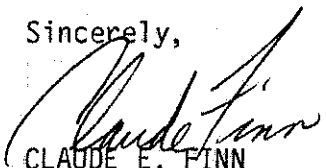
<u>Audit Control No. and Date</u>	<u>Audit Subject</u>
50263-09 3/18/75	Food Stamp Issuance
50266-09 6/ /75	Food Stamp Issuance
50267-09 4/ /75	Food Stamp Issuance
50268-09 4/ /75	Food Stamp Issuance
50271-09 6/ /75	Food Stamp Issuance
50274-09 7/ /75	Food Stamp Issuance
SRS 12/04/75	Butte Space Costs

Twiname Claims

Under the provisions of PL 95-291, the State Department of Social Services received from HHS 15 percent of the total amount of claims submitted by the counties. We will disburse those funds to the appropriate counties very shortly. Funds claimed by the counties as Twiname under the CPS Program will not be paid as CPS funds for the period had totally been expended.

Any questions concerning this letter should be directed to the County Fiscal Administration Bureau, SDSS, (916) 445-7046.

Sincerely,


 CLAUDE E. FINN
 Deputy Director
 Administration

cc: CWDA